

Amendment No. 1 to SB2184

McNally
Signature of Sponsor

AMEND Senate Bill No. 2184

House Bill No. 2177*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. The general assembly finds and declares that:

(1) Under alternative payment systems, a healthcare payor, when determining total patient care costs attributed to a physician for an episode of care, may include costs that are not under the control of, or available for review and inspection by, that physician;

(2) Under an alternative payment system, a physician may not receive an appropriate share of savings, or may not be liable for a reduction in payment, including reduction by recoupment applied against payments for future services, if the physician's patients have a higher total cost of care as compared to a defined benchmark or range of costs; and

(3) A physician should not be penalized for higher patient care costs when those costs are not under the control of the physician or available for that physician to base decisions on.

SECTION 2. Tennessee Code Annotated, Title 71, Chapter 5, is amended by adding a new part 11 to read as follows:

71-5-1101. As used in this part:

(1) "Alternative payment system" means a payment methodology used by a healthcare payor that includes a risk-sharing or gain-sharing component for a physician who participates in a plan, program, or network offered by the healthcare payor;

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(2) "Healthcare payor" means the state or any health insurance company, health maintenance organization, or managed care organization contracted with by the state to provide, arrange, or pay for medical assistance provided under this chapter in the TennCare program;

(3) "Gain-sharing payment" means an increase in a payment or additional payment made by a healthcare payor to a physician, or a group practice of which the physician is a member, as a result of patient care costs that fall below cost thresholds set by the healthcare payor;

(4) "Risk-sharing payment" means a reduction in a payment to a physician, or group of which a physician is a member, or refund of a payment already made to the physician, or a recoupment applied against payments for future services provided by that physician, as a result of patient care costs that exceed cost thresholds set by the healthcare payor; and

(5) "TennCare" means the medical assistance program operated under this chapter.

71-5-1102. A healthcare payor using an alternative payment system, when determining any potential gain-sharing payment or risk-sharing payment for a physician, shall disclose all costs of treatment included within the medical service subject to the alternative payment system. The costs of such treatment shall be identified by patient, date of service, provider of service, place of service, service description, service claim code, and amount, and shall be

included in the regular report provided to the physician related to the alternative payment system.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.